

Message Text

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PASS TREASURY, FEDERAL RESERVE, COMMERCE

E.O. 11652: N/A
TAGS: EALR, EFIN, EGEN, FR
SUBJ: FRENCH FINANCIAL AND ECONOMIC DEVELOPMENTS

REF: PARIS 03410, FEBRUARY 3, L977

1. SUMMARY

THE FRENCH ECONOMY IS NOW ENTERING THE SECOND PHASE
OF THE BARRE PLAN WHICH WILL TRY TO CORRECT SOME OF
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THE MORE BLATANT PROBLEMS SUCH AS THE ENORMOUS
DEFICITS OF THE NATIONALIZED SECTOR AND THE SOCIAL
SECURITY SYSTEM. POLLS SHOW THAT AN INCREASING
NUMBER OF FRENCH ARE CONFIDENT IN THE ABILITY OF
GOF TO MANAGE THE ECONOMY, BUT THERE IS NO
OVERFLOWING OPTIMISM GIVEN THE PROSPECTS OF
STAGNATING PRODUCTION, HIGH UNEMPLOYMENT AND LOW

INVESTMENT. END SUMMARY

2. SECOND PHASE OF BARRE PROGRAM OUTLINED

PRIME MINISTER BARRE HAS OUTLINED THE SECOND PHASE OF HIS PROGRAM, TO BE PUT INTO OPERATION FROM NOW THROUGH JUNE 30, IN WHICH THE FIGHT AGAINST INFLATION WILL BE ACCOMPANIED BY A GENERAL TIDYING-UP OF THE ECONOMY. THIS PHASE WILL INVOLVE THE REFORM OF INDUSTRIAL STRUCTURES, THE NATIONALIZED SECTOR AND THE SOCIAL SECURITY SYSTEM. ALREADY PROGRESS IS UNDERWAY IN THE LATTER TWO CASES WITH A REDUCTION OF FF 2 BILLION IN SPENDING BEING IMPOSED ON NATIONALIZED ENTERPRISES AND REDUCTIONS IN HEALTH PAYMENTS BEING DISCUSSED.

BARRE SAID THAT THE INDUSTRIAL STRATEGY WILL BE DESIGNED TO REDUCE FRANCE'S TRADE DEFICIT WITH WEST GERMANY, WHICH ACCOUNTED FOR FF 12 BILLION OUT OF FF 20 BILLION IN 1976. IT WILL BE PRIMARILY ORIENTED TOWARDS INCREASING FIRMS' INTERNAL FUNDS. HOWEVER, CERTAIN SECTORS WILL NEED TO RECEIVE SELECTIVE GOVERNMENT AID EITHER TO EFFECT AN INTERNAL RESTRUCTURING (STEEL, PAPER, WOOD, MACHINE TOOLS) OR TO MAINTAIN EMPLOYMENT IN CASES OF UNBRAKED FOREIGN COMPETITION (TEXTILES, SHIP CONSTRUCTION).

PRIME MINISTER BARRE SAID THAT THERE IS NO QUESTION
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OF A RETURN TO PROTECTIONISM. "WE DO NOT WISH TO PREVENT BUT TO REGULARIZE THE FLOW OF CERTAIN IMPORTS."

3. JORDAAN BANK PREDICTS ONLY MODERATE RECOVERY DURING SECOND HALF OF YEAR DUE MAINLY TO LOW LEVEL OF INVESTMENT

JORDAAN BANK, A SMALL BUT RESPECTED PRIVATE BANK, IN ITS LAST REPORT ON THE ECONOMIC SITUATION STATES THAT THE PROFITS OF FIRMS INCREASED ONLY SLIGHTLY IN 1976. THE RATE OF SELF-FINANCING REMAINS LOW, AND IT HINDERS THE DEVELOPMENT OF INVESTMENTS WHICH ARE ALREADY SLOWED-DOWN BY THE LEVEL OF UNUSED PRODUCTIVE CAPACITY WHICH IS CURRENTLY HIGHER THAN THE LONG TERM AVERAGE. ON THE OTHER HAND, THE FINANCIAL SITUATION OF FIRMS DETERIORATED IN THE SECOND HALF OF 1976 AND DECLINED TO THE LEVEL OF DECEMBER 1975. AMONG THE REASONS FOR THE DETERIORATION OF COMPANY

FINANCES WERE THE HEAVY BURDEN OF THE NEED TO PAY
TAXES WHICH HAD PREVIOUSLY BEEN DEFERRED PLUS EVEN
HEAVIER CURRENT TAX BILLS, INCREASED SOCIAL CHARGES,
AND THE FREEZE OF PRICES AT THE END OF 1976. AS A
RESULT OF THE EXPECTED STAGNATION OF PRODUCTION,

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PRODUCTIVITY OUGHT TO DECLINE AND THE PROFITS OF
FIRMS SHOULD DECREASE DURING THE FIRST PART OF THIS
YEAR. THEREFORE, THE JORDAAN BANK ANTICIPATES AN
EVEN MORE DIFFICULT FINANCIAL SITUATION FOR FIRMS.
FOR THE CAPITAL GOODS SECTOR, THE HIGH COST OF
CREDIT COULD LEAD TO A SMALL DECLINE IN PRODUCTION
DURING THE FIRST HALF OF 1977. HOWEVER, THE SITUATION
COULD IMPROVE FOR INTERMEDIATE GOODS WHILE

CONSUMPTION GOODS SHOULD REMAIN STABLE.

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IF THE BARRE PLAN SUCCEEDS IN CONTROLLING THE INCREASE OF PRICES AND WAGES, THE BANK BELIEVES THAT THE LINK BETWEEN PRICE AND WAGE INCREASES MAY BE EFFECTIVELY BROKEN. THIS WOULD ALLOW THE COUNTRY TO PROCEED ON THE WAY TOWARDS A RE-ESTABLISHMENT OF THE FUNDAMENTAL EQUILIBRIA IN PRODUCTION AND EMPLOYMENT. HOWEVER, THE GAME HAS ONLY JUST BEGUN. IT IS INCREASINGLY PROBABLE, IN THIS BANK'S OPINION, THAT INVESTMENT WILL NOT SUFFICIENTLY SUPPORT THE RECOVERY IN THE SECOND HALF OF THIS YEAR WHICH THE FIRST SUCCESSES ON THE PRICE AND EXCHANGE RATE FRONTS ALLOW ONE TO HOPE FOR. THIS RECOVERY MAY, THEREFORE, ONLY BE MODERATE.

4. BOF EXPECTS CURRENT PRODUCTION LEVELS TO CONTINUE

THE BANK OF FRANCE IN ITS MOST RECENT REPORT ON THE CURRENT ECONOMIC SITUATION STATES THAT THERE WAS NO MARKED CHANGE IN PRODUCTION DURING JANUARY BUT THAT IT REMAINED AT A GOOD LEVEL. AS IN PREVIOUS MONTHS, PRODUCTIVE CAPACITY WAS LARGELY UTILIZED, ALTHOUGH SOME IMPORTANT MARGINS EXISTED IN CERTAIN SECTORS. ACTIVITY OUGHT TO REMAIN AT LEAST AT THE SAME LEVEL DURING THE COMING MONTHS AS A RESULT OF THE MODERATE LEVEL OF INVENTORIES AND THE REGULAR RENEWAL OF ORDERS. HOWEVER, THERE IS SO FAR NOTHING WHICH LEADS COMPANY HEADS TO MODIFY THEIR PRUDENT BEHAVIOR, ESPECIALLY WITH REGARD TO INVESTMENT. THE BUSINESS CLIMATE HAS, HOWEVER, EASED; ACCORDING TO THE BOF, INDUSTRIALISTS FEEL THAT THE FIGHT AGAINST INFLATION IS SUCCEEDING AND THAT IT COULD FAVOR THE SETTING-UP OF PROJECTS WHICH WOULD IMPROVE COMPETITIVENESS.

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THERE WAS NO IMPROVEMENT IN THE INTERMEDIATE GOODS SECTORS WHICH STILL SHOWS SOME MARKED CONTRASTS AMONG INDUSTRIES. ACTIVITY CONTINUED WEAK IN THE BASIC METALLURGIC INDUSTRIES BUT REMAINED FIRM IN

THE GREATER NUMBER OF OTHER INDUSTRIES. STOCKS OF PRODUCTS FOR DELIVERY WERE NORMAL. PRODUCTION IN THIS SECTOR SHOULD STABILIZE AT ITS CURRENT LEVEL AND MAY SHOW A SLIGHT INCREASE IN COMING MONTHS.

THE SAME PROSPECTS ARE HELD FOR THE CAPITAL GOODS SECTOR. ACTIVITY IN THIS SECTOR ON THE WHOLE REMAINED AT THE SAME LEVEL, BUT THERE WERE SOME INCREASES IN PRODUCTION IN SECTORS RECEIVING ORDERS FROM THE PUBLIC SECTOR (PETROLEUM AND NUCLEAR INDUSTRIES, TELECOMMUNICATIONS) AND IN THOSE INTRODUCING NEW PRODUCTS ON FOREIGN MARKETS.

DESPITE A SEASONAL DROP IN ACTIVITY IN SEVERAL BRANCHES, PRODUCTION IN THE CONSUMER GOODS SECTOR INCREASED VERY SLIGHTLY IN JANUARY. AUTOMOBILE CONSTRUCTION REMAINED THE MOST ACTIVE BRANCH WHILE THE SITUATION IN THE TEXTILE INDUSTRIES CONTINUED TO BE UNFAVORABLE. BACK ORDERS REMAINED AT A SATISFACTORY LEVEL, WHILE STOCKS WERE GENERALLY NEAR NORMAL.

5. INDUSTRIAL ACTIVITY HIBERNATES IN JANUARY

A SURVEY OF THE ECONOMIC SITUATION IN JANUARY BY THE FINANCIAL DAILY "LES ECHOES" SUPPORTS THE BOF ANALYSIS. THE NEWSPAPER REPORTED THAT THERE HAD BEEN DEFINITELY A CHANGE IN THE WIND SINCE THE END OF DECEMBER WITH AN INCREASING NUMBER OF BUSINESSMEN EXPRESSING CONFIDENCE IN THE BARRE PLAN. HOWEVER, MOST OF THIS OPTIMISM WAS BASED ON EXPECTATIONS, SINCE THE LEVEL OF ACTIVITY

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REMAINED IN HIBERNATION DURING THE TRADITIONAL

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JANUARY SLUMP.

IN THE CONSUMER GOODS SECTOR, PRODUCTION IN THE
AUTOMOBILE AND HOUSEHOLD APPLIANCES INDUSTRIES
CONTINUED AT A VERY HIGH LEVEL, BUT ORDERS FOR
AUTOMOBILES DECLINED IN JANUARY INDICATING THAT
PRODUCTION WOULD LEVEL OFF. PRODUCTION LEVELED
OFF AT A VERY LOW LEVEL IN CONSTRUCTION AND
PUBLIC WORKS. IN THE CAPITAL GOODS SECTORS
THERE WAS NO INCREASE IN ORDERS IN THE
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ELECTRICAL AND MACHINERY CONSTRUCTION INDUSTRIES,
AND A FALL OF PRODUCTION IN THE ORDER OF 7 PERCENT
WAS EXPECTED FOR THESE BRANCHES DURING THE FIRST
QUARTER OF THIS YEAR.

THERE WERE A FEW BRIGHT SPOTS, HOWEVER. THERE WAS
A REVIVAL IN EXPORT ORDERS IN CERTAIN SECTORS:
SHOES, PRECISION MACHINERY, AGRICULTURAL MACHINERY
AND CERTAIN TYPES OF MACHINE TOOLS. FURTHERMORE,
THE LEVEL OF DEMAND INCREASED IN THE CAPITAL GOODS
SECTORS, ALTHOUGH IT HAD NOT YET RESULTED IN FIRM
ORDERS.

6. SOFRES SURVEY CONFIRMS A STRENGTHENING IN
CONFIDENCE

A SURVEY CONDUCTED BY SOFRES FOR THE JOURNAL "LE FIGARO" DURING THE FIRST FIVE DAYS OF FEBRUARY CONCLUDES THAT THE UPSWING IN CONFIDENCE, WHICH WAS FIRST NOTED IN THE DECEMBER SURVEY, HAS STRENGTHENED. SIXTY-FIVE PERCENT OF THOSE INTERVIEWED REPLIED THAT THEY WERE SATISFIED WITH THEIR EXISTENCE. THERE WAS A SUBSTANTIAL INCREASE BETWEEN THE DECEMBER AND FEBRUARY SURVEYS IN THE NUMBER OF THOSE WHO THOUGHT THAT THE GOVERNMENT WAS WAGING AN EFFECTIVE POLICY IN ITS FIGHT AGAINST INFLATION. AS THE FEARS CONCERNING INFLATION BEGAN TO BE SLIGHTLY ASSUAGED, AN INCREASING NUMBER OF RESPONDENTS THOUGHT THAT THE FIGHT AGAINST UNEMPLOYMENT SHOULD BE THE GOVERNMENT'S NUMBER ONE PRIORITY.

OPINION CONCERNING PRESIDENT GISCARD D'ESTAING AND PRIME MINISTER BARRE WAS MUCH MORE FAVORABLE IN THE FEBRUARY SURVEY. BETWEEN THE TWO SURVEYS, THERE WAS A SWITCHOVER IN CONFIDENCE REGARDING THE PRESIDENT'S
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ABILITY TO CONDUCT AN EFFECTIVE ECONOMIC POLICY:
IN THE DECEMBER SURVEY THE NUMBER OF THOSE NOT CONFIDENT WAS HIGHER, 44 PERCENT TO 38 PERCENT, WHILE IN THE FEBRUARY SURVEY, THE NUMBER OF THOSE CONFIDENT TOOK THE EDGE, 46 PERCENT TO 40 PERCENT. BARRE GAINED 16 POINTS BETWEEN THE TWO SURVEYS IN A QUESTION REGARDING HIS ABILITY AS PRIME MINISTER. ON THE OTHER HAND, THE NUMBER OF THOSE WHO THOUGHT THAT A GOVERNMENT OF THE LEFT COULD CONDUCT AN EFFECTIVE ANTI-INFLATION POLICY ALSO SHOWED A SUBSTANTIAL INCREASE, FROM 29 PERCENT IN DECEMBER TO 39 PERCENT IN FEBRUARY.

THE SURVEY IS GIVEN BELOW WITH THE CORRESPONDING RESPONSES FOR DECEMBER AND FEBRUARY SHOWN IN PERCENT).

1. HOW DO YOU FEEL WITH REGARD TO YOUR CONDITIONS OF
LIVING (INCOME, HOUSING, JOB, ETC.)?

	FEB. 77	DEC. 76
VERY SATISFIED	7	4
FAIRLY SATISFIED	58	54
FAIRLY UNHAPPY	27	28

VERY UNHAPPY 6 9
NO OPINION 2 5

2. AMONG THE FOLLOWING TYPES OF SOCIETIES, WHICH SEEMS
TO YOU THE MOST DESIRABLE FOR FRANCE?

FEB. 77 DEC. 76

LIBERAL (CURRENTLY AS IN FRANCE) 40 36
MORE LIBERAL (AS IN U.S. OR SWITZERLAND) 14 15
SOCIAL DEMOCRACY (AS WESTERN GERMANY) 26 25
POPULAR DEMOCRACY (AS EASTERN EUROPE) 2 4
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COMMUNIST (USSR) 1 2

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NO OPINION 17 18

3. DO YOU HAVE THE FEELING THAT CIRCUMSTANCES ARE GOING
TO IMPROVE OR GO MORE BADLY FOR FRANCE AND THE FRENCH?

FEB. 77 DEC. 76

IMPROVE	19	14
GO MORE BADLY	55	58
NO CHANGE	23	21
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NO OPINION 3 7

4. IN YOUR OPINION THE SOCIAL CLIMATE IN FRANCE IS
CURRENTLY:

FEB. 77 DEC. 76

VERY GOOD	--	--
FAIRLY GOOD	25	26
FAIRLY BAD	56	54
VERY BAD	12	11
NO OPINION	7	9

5. IN YOUR OPINION THE PRINCIPAL PROBLEMS WHICH ARE
GOING TO COME UP IN THE NEXT TWO OR THREE MONTHS:

FEB. 77 DEC. 76

WILL BE RESOLVED BY NEGOTIATION AND COMPROMISE	48	40
RISK RESORTING TO CONFRONTATION AND VIOLENCE	36	39
NO OPINION	16	21

6. WHAT SHOULD BE THE PRIMARY CONCERN OF THE GOVERNMENT
AT THE CURRENT TIME?

FEB. 77 DEC. 76

INFLATION	42	44
UNEMPLOYMENT	39	32

VIOLENCE AND CRIME	10	10
MAINTENANCE OF SOCIAL PEACE	4	6
PROTECTION OF NATURE AND THE ENVIRONMENT	2	3

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NO OPINION	3	5
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7. WITH REGARD TO THE FIGHT AGAINST INFLATION, DO YOU THINK THAT THE GOVERNMENT'S POLICY IS:

FEB.77 DEC.76

VERY EFFECTIVE	1	1
FAIRLY EFFECTIVE	28	10
NOT VERY EFFECTIVE	45	47
NOT EFFECTIVE AT ALL	21	26
NO OPINION	5	16

8. IF A GOVERNMENT OF THE LEFT WERE CURRENTLY IN POWER, DO YOU THINK THAT ITS POLICY TO FIGHT AGAINST INFLATION WOULD BE:

FEB.77 DEC.76

VERY EFFECTIVE	6	5
FAIRLY EFFECTIVE	33	24
NOT VERY EFFECTIVE	26	30
NOT EFFECTIVE AT ALL	14	14
NO OPINION	21	27

9. HOW MUCH CONFIDENCE DO YOU HAVE IN M.GISCARD D'ESTAING TO ORIENT FRENCH POLICY IN THE DIRECTION WHICH YOU WOULD WISH

COMPLETELY	CONF.	CONF.	CONF.	OPINION
FAIRLY	NOT	VERY	NOT	NO
AT ALL				

FOREIGN POLICY	11	43	11	11	24
ECONOMIC POLICY	7	39	25	15	14

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SOCIAL POLICY	6	35	27	17	15
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FUNCTIONING OF

INSTITUTIONS	3	36	17	7	37
DEFENSE OF LIBERTIES	14	48	15	13	10
REFORMS	7	40	25	14	14

10. WHAT IS YOUR OPINION OF M. BARRE AS PRIME MINISTER?

FEB.77 DEC.76

VERY GOOD 5 2

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GOOD	22	11
FAIRLY GOOD	20	18
FAIRLY BAD	20	29
BAD	9	8
VERY BAD	10	11
NO OPINION	14	21

7. INSEE REPORTS INCREASE IN FOREIGN COMPETITION

INSEE REPORTS THAT FOREIGN COMPETITION VIS-A-VIS FRENCH INDUSTRIES INCREASED DURING THE SECOND HALF OF 1976 BOTH ON THE DOMESTIC MARKET AND FOREIGN MARKETS. ON THE FRENCH MARKET, FOREIGN COMPETITION WAS AT THE HIGHEST LEVEL RECORDED SINCE THE SEMI-ANNUAL SURVEY WAS BEGUN IN 1973. THE INCREASE IN COMPETITION WAS PARTICULARLY STRONG FOR AUTOMOBILES AND CLOTHING. FOREIGN COMPETITION ON THE DOMESTIC MARKET SLIGHTLY DECREASED FOR THE CAPITAL AND INTERMEDIATE GOODS SECTORS, BUT IT SHARPLY INCREASED FOR METAL AND CHEMICAL PRODUCTS AND SOMEWHAT LESS SHARPLY FOR THE GLASS INDUSTRY.

ON FOREIGN MARKETS COMPETITION WITH FRENCH EXPORTS STABILIZED AT A VERY HIGH LEVEL FOR CAPITAL AND INTERMEDIATE GOODS; COMPETITION INCREASED FOR STEEL PRODUCTS BUT SLIGHTLY DECREASED FOR OTHER INTERMEDIATE GOODS INDUSTRIES. COMPETITION WITH FRENCH AUTOMOBILES SHOWED A LARGE INCREASE.

INDUSTRIALISTS REPORTED THAT THEY WERE GOING TO ORIENT THEIR PRODUCTION IN COMING MONTHS INCREASINGLY TOWARDS EXPORTATION. ALTHOUGH THE SELLING PRICES OF FRENCH PRODUCTS REMAINED HIGHER THAN THOSE OF FOREIGN PRODUCTS, THERE HAD BEEN A SLIGHT NARROWING IN THE GAP IN RECENT MONTHS. PROFIT MARGINS OF EXPORTS, ALTHOUGH CONSIDERED INSUFFICIENT, APPEARED TO HAVE IMPROVED RECENTLY; THEY REMAINED BELOW THE MARGINS THAT COULD

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BE OBTAINED BY SELLING ON THE DOMESTIC MARKET, BUT THIS DIFFERENCE HAD BEEN REDUCED. INDUSTRIALISTS REPORTED THAT THEIR DELIVERY DELAYS WERE SHORTER THAN THOSE OF THEIR FOREIGN COMPETITORS ON THE DOMESTIC MARKET WHILE THEIR COMPETITIVENESS HAD IMPROVED ON FOREIGN MARKETS.

8. WAGE NEGOTIATIONS ARE UNDERWAY IN NATIONALIZED SECTOR

WAGE NEGOTIATIONS ARE TAKING PLACE THIS WEEK IN

SEVERAL NATIONALIZED INDUSTRIES. THE MANAGEMENT OF THE NATIONALIZED COAL INDUSTRY HAS ALREADY MADE PUBLIC ITS WAGE PROPOSAL. BASED ON THE OFFICIAL PROJECTIONS OF A 4.8 PERCENT GROWTH IN THE GROSS INTERNAL PRODUCT AND A 6.5 PERCENT RATE OF INFLATION, THIS PROPOSAL WOULD ALLOW FOR A 1.9 PERCENT GROWTH IN PURCHASING POWER. IT IS UNLIKELY THAT ANY AGREEMENTS WILL BE REACHED IN THE NEAR FUTURE, GIVEN THE POSITION THE UNIONS HAVE ALREADY TAKEN REGARDING COLLECTIVE BARGAINING AND THE FACT THAT UNTIL NOW A 2 PERCENT GROWTH IN PURCHASING POWER HAS BEEN CONSIDERED THE GUARANTEED MINIMUM WITH A 4-5 PERCENT INCREASE THE PRACTICE FOR THE PAST FEW YEARS.

9. GROWTH IN NOVEMBER MONEY SUPPLY VERY MODERATE

THE SEASONALLY ADJUSTED MONEY SUPPLY (M2) STOOD AT FF 847.5 BILLION IN NOVEMBER, A VERY MODERATE INCREASE OF ONLY 0.4 PERCENT. THIS IN PART RESULTED FROM THE REABSORPTION OF THE ARTIFICIAL AND TEMPORARY INCREASE IN THE MONEY SUPPLY REPORTED FOR OCTOBER RESULTING FROM DELAYS IN CASHING BILLS AND OTHER FINANCIAL TRANSACTIONS DURING THE NOVEMBER 1 HOLIDAY (SEE PARIS 01297). THE INCREASE IN M2 FOR THE YEAR ENDING IN NOVEMBER 1976 WAS 13.6 PERCENT. M1 WAS FF 441.1 BILLION, (0.4 PERCENT DECREASE IN NOVEMBER) AND NEAR UNCLASSIFIED

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MONEY WAS FF 406.1 BILLION (1.1 PERCENT INCREASE).

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ON AN UNADJUSTED BASIS, M2 WAS FF 843.6 BILLION (0.1 PERCENT DECREASE IN NOVEMBER); M1, FF 437.7 BILLION (1.2 PERCENT DECREASE); AND NEAR MONEY, FF 405.9 BILLION (1.2 PERCENT INCREASE). NET FOREIGN EXCHANGE RESERVES WERE FF 41.0 BILLION (0.2 PERCENT DECREASE); CLAIMS ON THE PUBLIC SECTOR, FF 120.1 BILLION (0.9 PERCENT DECREASE); AND CLAIMS ON THE PRIVATE SECTOR, FF 735.0 BILLION (0.7 PERCENT INCREASE).

10. INDUSTRIAL PRODUCTION INDEX SHOWS SLIGHT DECREASE
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IN DECEMBER

THE PROVISIONAL SEASONALLY ADJUSTED INDEX OF INDUSTRIAL PRODUCTION, BUILDINGS AND PUBLIC WORKS EXCLUDED, WAS 124 IN DECEMBER DOWN FROM 127 IN NOVEMBER. PRODUCTION IN THE ENERGY SECTOR INCREASED BY 3.2 PERCENT, BUT PRODUCTION DECLINED IN THE INTERMEDIATE GOODS, CONSUMPTION GOODS, AND CAPITAL GOODS SECTORS BY 5.0, 1.4 AND 4.7 PERCENT RESPECTIVELY.

THE QUARTERLY INDEX OF INDUSTRIAL PRODUCTION, WHICH COVERS A WIDER RANGE OF INDUSTRIES THAN DOES THE MONTHLY INDEX, WAS 125 FOR THE THIRD QUARTER OF 1976. FOR THE YEAR ENDING WITH THE THIRD QUARTER OF 1976, THE QUARTERLY INDEX WAS: 116, 122, 123 AND 125.

11. NEW INCREASE IN UNEMPLOYMENT IN JANUARY

THE LEVEL OF UNEMPLOYMENT, ON BOTH A SEASONALLY

ADJUSTED AND UNADJUSTED BASIS, INCREASED SUBSTANTIALLY
IN JANUARY. SEASONALLY ADJUSTED UNEMPLOYMENT INCREASED
FROM 929,900 IN DECMEBER TO 944,700 IN JANUARY, 1.6
PERCENT INCREASE. UNADJUSTED UNEMPLOYMENT INCREASED
FROM 1,036,900 TO 1,068,400, 3.0 PERCENT INCREASE.
SEASONALLY ADJUSTED UNFILLED JOB OFFERS DECLINED BY
4.6 PERCENT, FROM 109,300 TO 104,800.

12. OTHER REPORTS SUBMITTED DURING THE PERIOD

TELEGRAMS

PARIS

03966 FRENCH POLICIES ON INTERNATIONAL
INVESTMENT AND MNC'S 2/8
04276 EXIMBANK VISITORS 2/11
04417 MEDIUM TERM CREDIT FOR PORTUGAL 2/11
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PARIS 04879 06 OF 06 171715Z

AIRGRAMS

PARIS

A-44 FRENCH FOREIGN EXCHANGE HOLDINGS 2/4
A-51 FRENCH FOREIGN EXCHANGE HOLDINGS 2/11
A-55 FRENCH RESERVES IN JANUARY 1977 2/15
HARLAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS04879
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770057-0321
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770232/aaaabbzo.tel
Line Count: 798
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c29e17c5-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 15
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 PARIS 3410
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3296027
Secure: OPEN
Status: NATIVE
Subject: FRENCH FINANCIAL AND ECONOMIC DEVELOPMENTS
TAGS: EALR, EFIN, EGEN, FR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/c29e17c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009